

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0030-01
Bill No.: HB 414
Subject: Requires facilities licensed by the Division of Aging to employ a food services director and long-term facilities to employ a registered dietician.
Type: Original
Date: February 14, 2001

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
General Revenue	(\$295,731)	(\$212,188)	(\$212,188)
Total Estimated Net Effect on <u>All</u> State Funds	(\$295,731)	(\$212,188)	(\$212,188)

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Total Estimated Net Effect on <u>All</u> Federal Funds *	\$0	\$0	\$0

* Estimated revenues and expenditures to exceed \$330,000 annually and net to \$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 4 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Health** assume the proposed legislation would have no fiscal impact on their agency.

Officials from the **Department of Social Services - Division of Medical Services (DMS)** stated payment of nursing facilities (NFs) are based on a per diem. A per diem rate is established for each nursing home based on a cost report which reflects Medicaid allowable costs incurred by the facility. Once the rate is established, it is adjusted only by trend factors or special rate increases as provided by regulation. It is assumed by DMS officials that the DMS will adjust per diem rates or make additional payments to the NFs when costs are incurred by the NFs to meet the requirements in this proposed legislation.

The average cost for an approved dietary manager is \$850, the exam fee is \$185 for a total one-time cost of \$1,035. Once certification is obtained, an individual must maintain certification with continuing education. The average annual cost of maintaining certification is \$346 - \$121 re-certification fee and \$225 for classes. Information for the costs were obtained from St. Louis Community College and the Dietary Managers Association (DMA). An individual meets the requirements of a CFPP if they are a certified dietary manager.

There are currently 507 NFs enrolled in the Medicaid program. It is assumed no NF has an individual on staff with DCM/CFPP certification. The cost for this certification is: $\$1,035 \times 507$ NFs = \$524,745; $\$346 \times 507$ facilities = \$175,422 in on-going annual cost.

The total estimated cost for requiring a NF to have a registered dietician as a consultant for 8 hours a month is projected to be \$711,745. This is based on a review of the NFs' 1998 cost reports. The dietary component for the cost report was reviewed; of 506 facilities, 68 facilities reported no expense and 318 facilities reported costs lower than the average cost of \$3,840 for a dietary consultant (8 hours x \$40/hour x 12 months). The current average NF Medicaid occupancy is 61.42%. No fiscal impact to the DMS is expected from the requirements for adult day health care programs.

<u>FISCAL IMPACT - State Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
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GENERAL REVENUE FUND

Costs - Department of Social Services -
 Division of Medical Services

Medical Assistance Payments	<u>(\$295,731)</u>	<u>(\$212,188)</u>	<u>(\$212,188)</u>
Total <u>Costs</u> -Division of Medical Services	<u>(\$295,731)</u>	<u>(\$212,188)</u>	<u>(\$212,188)</u>
TOTAL ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>(\$295,731)</u>	<u>(\$212,188)</u>	<u>(\$212,188)</u>

FEDERAL FUNDS

Revenue - Department of Social Services
 Division of Medical Services

Medical Assistance Payments	\$463,721	\$332,722	\$332,722
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Costs - Department of Social Services -
 Division of Medical Services

Medical Assistance Payments	<u>(\$463,721)</u>	<u>(\$332,722)</u>	<u>(\$332,722)</u>
TOTAL ESTIMATED NET EFFECT ON FEDERAL FUNDS	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

The proposed legislation could fiscally impact small businesses (long-term-care and adult facilities) to the extent they would be required to employ higher level personnel and/or additional personnel than they may already have. The fiscal impact of this legislation to small businesses cannot reasonably be determined.

DESCRIPTION

All facilities defined in Section 198.006, RSMo, and all adult day care programs that are licensed by the Division of Aging and provide food services are required to employ a food services director that is a Certified Dietary Manager and a Certified Food Protection Professional. In addition, all long-term care facilities licensed by the Division of Aging are required to employ a registered dietician on a consulting basis of at least eight hours per month.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Health
Department of Social Services



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Director

February 14, 2001